Utah's Ski Industry

Overview

During the 2005-2006 ski and snowboard season, the Utah Ski and Snowboard Association, a non-profit organization which promotes the Utah ski and snowboarding industry, hired Wikstrom Economic and Planning Consultants, Inc. to conduct its sixth triennial Skier and Snowboarder Survey. A summary of the 2005-2006 season's trends and findings are outlined in this chapter. (The full survey analysis can be obtained from the Utah Ski and Snowboard Association.)

Among the Survey's major findings, Utah residents account for a greater percentage of skier and snowboarder visits; nonresident spending has increased while resident spending is down from previous years; season pass usage has increased; and the overall economic impact of the skiing and snowboarding industry has increased from the previous survey in the 2002-2003 season.

Summary of Findings

Skier Days. Utah had a tremendous 2005-2006 ski season, which saw a 4.3% growth in skier days over the 2004-2005 season. This growth rate was higher than the national increase of 3.3%, but lower than the 5.8% growth that occurred in the Rocky Mountain Region (Montana, Idaho, Wyoming, Utah, Colorado and New Mexico).

National skier visitation hit record levels at 58.8 million visits thanks in part to a substantial increase in day visitors. Utah's share of the national market was about 7% compared to Colorado's share of about 20%. Utah reported a total of 4,062,188 skiers and snowboarders skier days in during the 2005-2006 season--the first time skier days topped the 4 million mark. Record and steady snowfall this season--more than 630 inches versus a typical snowfall of 500 inches--and more local skiers helped drive the numbers up. Resorts in Summit County, which include Park City Mountain Resort, Deer Valley, and The Canyons, experienced 1,715,536 skier days, up 6.7% over the prior season.

Spending and Economic Impact. Total ski and snowboard related spending in Utah was an estimated $692 million for the 2005-2006 ski and snowboard season, up from $650 million in 2002-2003. This figure includes all spending on skiing and snowboarding and related purchases such as food, lodging, apparel, and entertainment but excludes airfare. Nonresident spending accounted for $563 million, or 81% of overall spending, while resident spending equaled $129 million, approximately 19%. On average, the daily per capita expenditures for nonresident skiers and snowboarders was $269 per day, with locals spending an average of $46 per day. Off-mountain spending accounts for $435 million of the $692 million spent.

The $563 million spent by nonresident skiers and snowboarders in Utah during the 2005-2006 season generated substantial economic impact over and above the actual dollars spent. Input-output analysis estimates the economic impact of this spending on the State, including indirect earnings and jobs added. A total of $281 million additional earnings was generated by the spending of out-of-state visitors. Approximately 12,700 jobs have been supported by this spending.

Income. Skiers and snowboarders' median income for the 2005-2006 season was $75,000. The median income of skiers and snowboarders decreased from the 2002-2003 survey, which showed a median income of $88,000. This decline can be attributed to an increased share of Utah residents who tend to have lower incomes than nonresidents ($51,000 versus $117,000), and a drop in locals' median income from $70,000 in 2002-2003. This phenomenon has a large impact on the spending and economic impact numbers for the 2005-2006 season. Even though the resident median income has decreased from 2002-2003, the out-of-state visitor median income has increased from $97,000 in 2002-2003 to $117,000 in 2005-2006.

Age. Aging baby boomers resulted in an increased proportion of older skiers from 7% in the 1999-2000 survey to 12% this season. The "echo boomer" group of 25 to 34-year olds has also seen an increase from the 1999-2000 survey to the 2005-2006 survey. The median age for all skiers is 34. Out-of-state visitors are older, with a median age of 40 of those who visit Utah.

Locals, Day Use and Visitors. One of the more interesting findings of this season's survey is a surge in the proportion of local skiers-56% in 2005-2006 compared to 48% in 1999-2000). These same data are reflected in the increased proportion of day skiers from 43% in 2002-2003 to 55% in 2005-2006. Nationally, day visitors typically represent about half of all skier days over recent years, generally hovering at about 49% (38% in the Rocky Mountain Region). This suggests that Utah's day visitor count is substantial compared to the Rocky Mountain average.

These trends are more clearly illustrated by looking at the actual number of locals, which has grown at an average annual rate of 5.5% over the past nine years, while the number of nonresident skiers and snowboarders only grew at an average annual rate of 0.9%. This reflects the success of efforts of the ski industry and individual resorts to attract families and children through locals discounts, such as the Fifth Grade Passport and the Learn to Ski programs.

Visitor Origination - States. Of the 33 states represented by respondents, visiting skiers and snowboarders were largely residents of California (17.9%), New York (6.6%), Florida (6.5%) and Texas (6.3%). These four states comprise 37% of total nonresident visitation and have continually accounted for the highest proportion of out-of-state skiers and snowboarders over the past three surveys.

Visitor Origination - Designated Market Areas (DMA). The origination of respondents can also be categorized by major DMAs. The past season saw a reversal in the positions of the top two DMAs since the 2002-2003 survey. The Los Angeles DMA produced 13.4% of total skier visitation to Utah while the New York DMA dropped to 8.1%. In the 2002-2003 season New York represented 11.7% of domestic destination travel to Utah while the LA market represented 7.3%. The three large California markets--the Los Angeles basin, San Francisco Bay area, and San Diego--accounted for 20.5% of total domestic destination visitors.

International Visitors. International visitors have remained at 3% of Utah's skiers and snowboarders since the 1993-1994 season. The countries most represented by international skiers and snowboarders are the English-speaking nations of the United Kingdom (25%), Canada (21%) and Australia (14%).

Skis vs. Snowboards. Since 1996 snowboarders have continually increased their share of skier and snowboarder days and now account for 28% of respondents to the Utah survey. This is slightly lower than the national level of 30%. During the 1996-97 ski season 19% of respondents were snowboarders. Snowboard use has grown at an average annual rate twice that of ski use (5.8% vs. 2.4% per year).

Lift Ticket Use. In 2005-2006, 56% of lift tickets were single-day lift passes with the next most popular tickets-26%-being season passes. However, this percentage still shows that Utah trails the national average of 31% in season pass use. Both multi-day and discount lift passes account for 6% of total lift tickets.

Single day lift passes averaged $56 during the 2005-2006 ski and snowboard season. This is lower than both the national average of $61 and the Rocky Mountain mean of $69. Lift pass prices have increased in Utah at an average annual rate of 13.1% compared with 4.3% for the Rocky Mountain Region and 4.1% nationally.

During the 2005-2006 season, the average price for a season pass was $444, with a median of $400. Local season pass usage has constantly increased from 22% in 1999-2000 to 45% during the 2005-2006 ski and snowboard season. While national data for in-state season pass usage is not available, overall national season pass sales have increased by 26% from 2002-2003 to 2005-2006.

Total Days Skied and Snowboarded. During the 2005-2006 ski season, domestic, out-of-state visitors averaged trips of 5.7 nights with 5.3 days of snowboarding or skiing. International visitors tended to stay longer with an average of 10.1 nights and 9.7 ski and snowboard days. Both groups experienced longer trips than the 2002-2003 season with domestic visitors staying an average of 0.3 nights longer and international visitors staying an average of 1.5 nights longer than the previous survey.

Educational Attainment. The percentage of skiers and snowboarders with a bachelor's degree or higher has decreased slightly between the 1999-2000 ski season (61%) and the 2005-2006 ski season (58%). Recent trends also show a higher percentage of in-state skiers and snowboarders who had a high school diploma as the highest degree of education obtained over pervious surveys (31% in 2005-2006 compared to 13% in 1999-2000).

Family Status. Single respondents with no children account for the largest family type (38%--up from 33% in 2002-2003) followed by parents with children at home (27%). These two family types account for nearly two-thirds of respondents. Other family types include couples with no children (17%), empty nesters (12%--up from 10% in 2002 and 2003) and youth living at home (6%).

Visitation Frequency. The number of out-of-state skiers and snowboarders on their first visit to Utah has decreased from 33% during the 2002-2003 ski season to 26%. Within the last five years out-of-state skiers and snowboarders have averaged 3.4 previous trips to Utah. International visitors tend to make fewer visits to Utah, averaging 2.0 trips in the last five years.

Likelihood of Return. The percentage of skiers and snowboarders indicating they would return within the next two years increased from the previous survey. During the 2005-2006 ski and snowboard season 57% of skiers and snowboarders indicated they would definitely return within the next two years compared to the 51% of skiers and snowboarders who gave the same answer in 2002-2003.

Most Important Factor Influencing Return. The predominate reasons out-of-state skiers and snowboarders chose Utah are its snow quality (35%) followed by the proximity to the airport (19%). The factors that would encourage out-of-state skiers and snowboarders to visit more often are: more lift ticket specials (34%), better lift and lodging packages (25%) and better nightlife (17%).

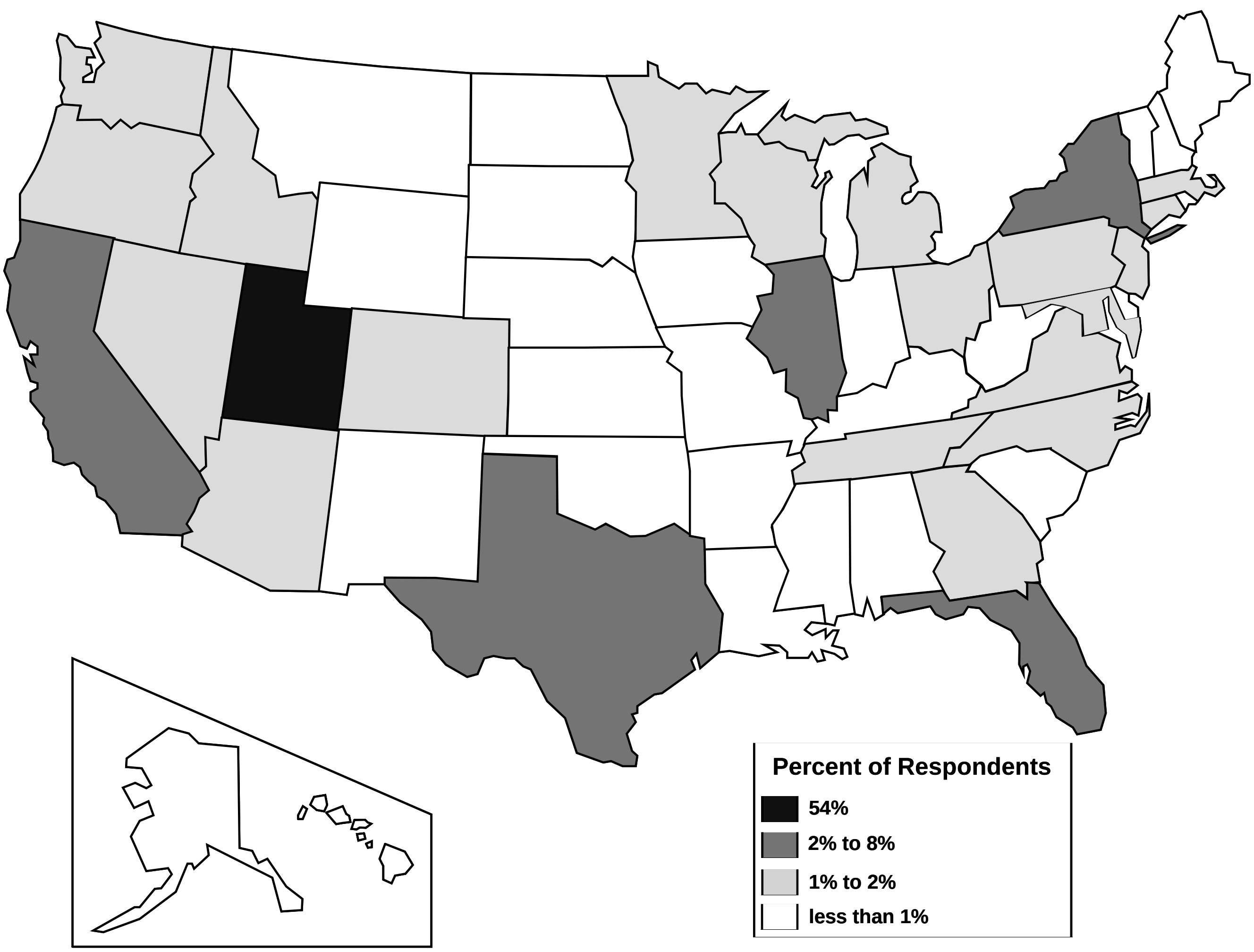
Conclusion

The results of the 2005-2006 Utah Skier and Snowboarder Survey show a changing skier and snowboarder profile. More

Utah residents are now skiing and snowboarding on Utah's slopes than nonresidents. In addition, snowboarding has continued to gain popularity and accounted for an increasing share of on-mountain visitors.

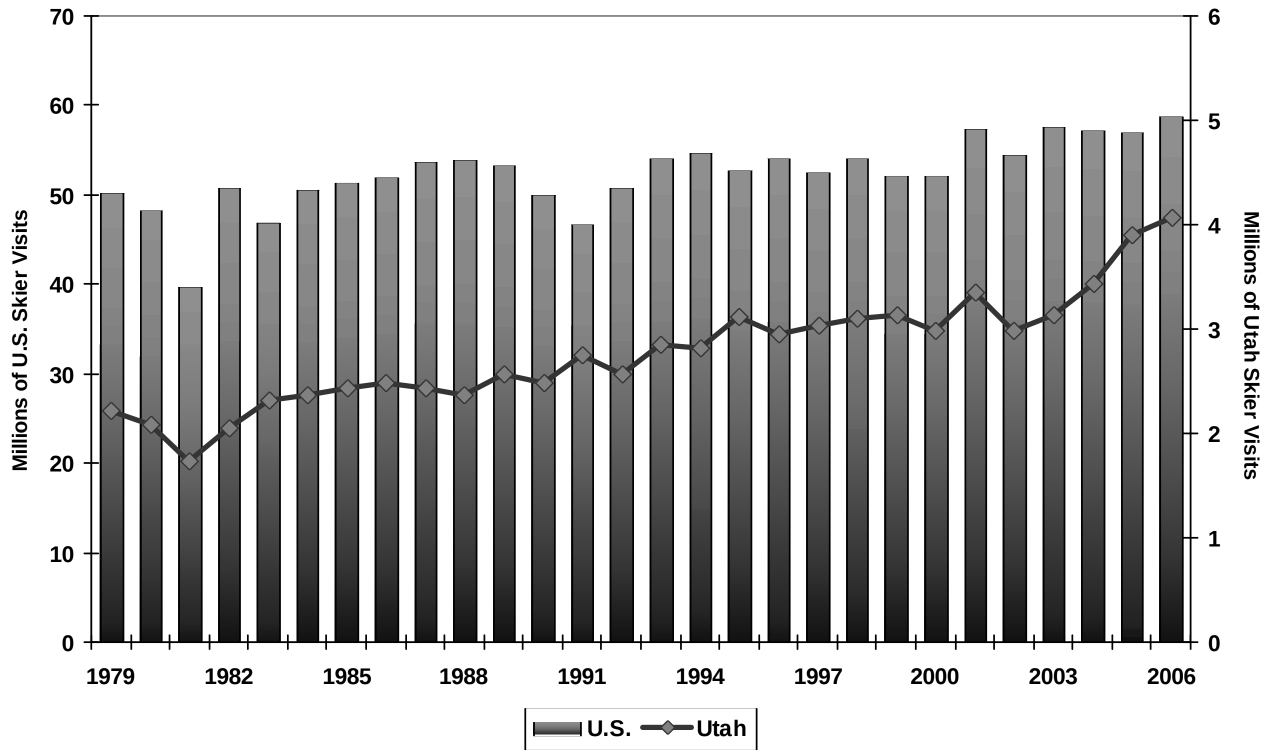
Lower incomes and, to a certain extent, increased usage of season passes among resident skiers and snowboarders resulted in a lower resident spending per person average. These factors have kept overall resident spending low, despite the increased number of resident skiers and snowboarders. However, total spending has been buoyed by higher nonresident-visitors spending, resulting in total spending and economic impact numbers well above those of the 2002-2003 season.

Figure 85
State of Origin for Skier Visits in Utah



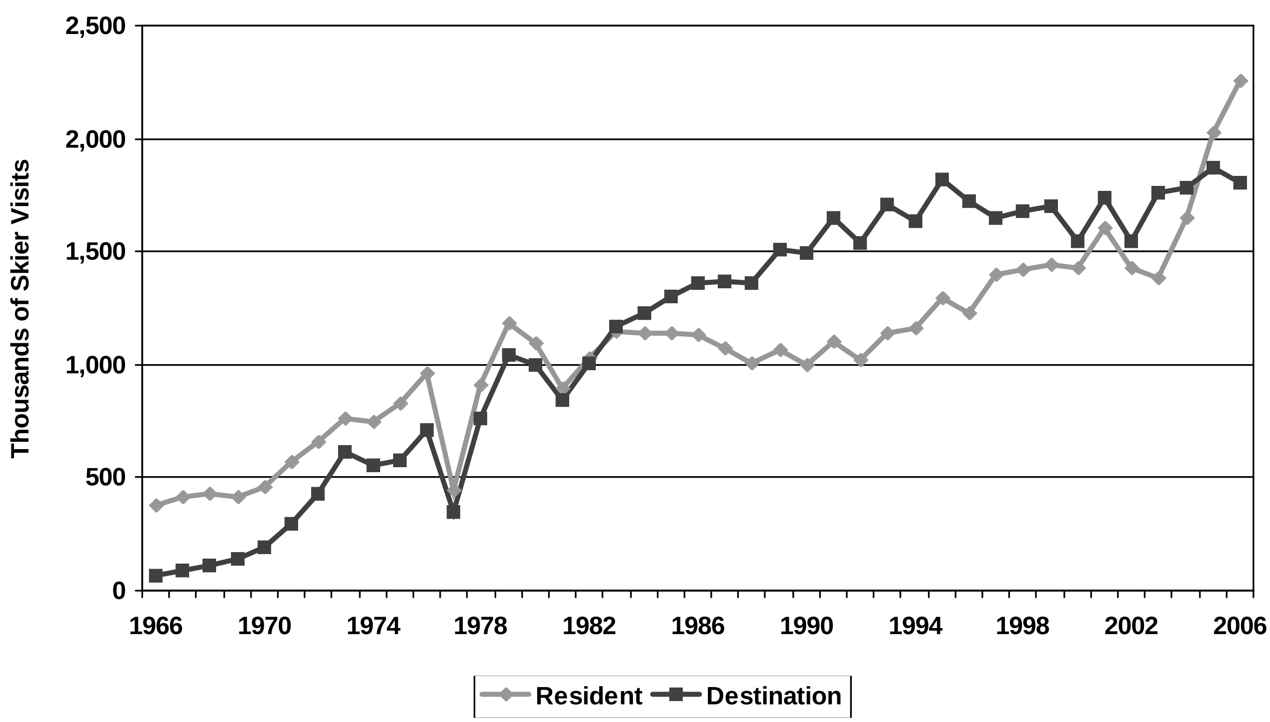
Source: Wikstrom Economic and Planning Consultants, RRC Associates

Figure 86
Utah and United States Skier visits (In Millions)



Source: 2006 Utah Ski Database

Figure 87
Estimated Resident and Destination Skier Visits in Utah



Source: 2006 Utah Ski Database

Table 106
Estimated Resident and Destination Skier Visits in Utah (Thousands)

Ski Season	Total Visits	Resident Visits	% of Total	Destination Visits	% of Total
1966	442	377	85.3%	65.0	14.7%
1967	504	415	82.3%	89.2	17.7%
1968	540	426	78.9%	114.1	21.1%
1969	555	416	75.0%	138.9	25.0%
1970	649	458	70.6%	190.7	29.4%
1971	862	568	65.9%	294.3	34.1%
1972	1,088	661	60.8%	427.0	39.2%
1973	1,370	759	55.4%	611.0	44.6%
1974	1,301	743	57.1%	557.5	42.9%
1975	1,411	831	58.9%	580.0	41.1%
1976	1,674	962	57.5%	712.1	42.5%
1977	789	442	56.0%	347.0	44.0%
1978	1,672	912	54.6%	759.7	45.4%
1979	2,223	1,180	53.1%	1,042.6	46.9%
1980	2,093	1,093	52.2%	999.9	47.8%
1981	1,740	894	51.4%	846.5	48.6%
1982	2,039	1,029	50.5%	1,009.5	49.5%
1983	2,317	1,149	49.6%	1,167.8	50.4%
1984	2,370	1,140	48.1%	1,229.5	51.9%
1985	2,437	1,137	46.7%	1,299.2	53.3%
1986	2,491	1,128	45.3%	1,363.1	54.7%
1987	2,441	1,072	43.9%	1,368.6	56.1%
1988	2,369	1,009	42.6%	1,359.5	57.4%
1989	2,572	1,063	41.3%	1,508.9	58.7%
1990	2,491	999	40.1%	1,492.2	59.9%
1991	2,752	1,101	40.0%	1,650.9	60.0%
1992	2,561	1,024	40.0%	1,536.5	60.0%
1993	2,850	1,140	40.0%	1,710.0	60.0%
1994	2,800	1,165	41.6%	1,635.2	58.4%
1995	3,114	1,295	41.6%	1,818.6	58.4%
1996	2,954	1,229	41.6%	1,725.1	58.4%
1997	3,043	1,397	45.9%	1,646.3	54.1%
1998	3,102	1,424	45.9%	1,678.0	54.1%
1999	3,144	1,443	45.9%	1,701.1	54.1%
2000	2,977	1,429	48.0%	1,547.9	52.0%
2001	3,349	1,608	48.0%	1,741.7	52.0%
2002	2,975	1,428	48.0%	1,546.8	52.0%
2003	3,141	1,382	44.0%	1,759.1	56.0%
2004	3,429	1,646	48.0%	1,783.2	52.0%
2005	3,896	2,026	52.0%	1,869.9	48.0%
2006	4,062	2,259	56.0%	1,803.6	44.0%

Source: 2006 Utah Ski Database

Table 107
Utah and United States Skier Visits (Millions)

Ski Season	U.S.	Utah	Utah Market Share
1979	50.2	2.22	4.4%
1980	48.2	2.09	4.3%
1981	39.7	1.74	4.4%
1982	50.7	2.05	4.0%
1983	46.9	2.32	4.9%
1984	50.6	2.37	4.7%
1985	51.4	2.44	4.7%
1986	51.9	2.49	4.8%
1987	53.7	2.44	4.5%
1988	53.9	2.37	4.4%
1989	53.3	2.57	4.8%
1990	50.0	2.49	5.0%
1991	46.7	2.75	5.9%
1992	50.8	2.56	5.0%
1993	54.0	2.85	5.3%
1994	54.6	2.81	5.1%
1995	52.7	3.11	5.9%
1996	54.0	2.95	5.5%
1997	52.5	3.04	5.8%
1998	54.1	3.10	5.7%
1999	52.1	3.14	6.0%
2000	52.2	2.98	5.7%
2001	57.3	3.35	5.8%
2002	54.4	2.98	5.5%
2003	57.6	3.14	5.5%
2004	57.1	3.43	6.0%
2005	56.9	3.90	6.8%
2006	58.8	4.06	6.9%

Source: 2006 Utah Ski Database

Table 108
Comparison Table of Survey Results

	2005-06	2002-03	1999-00
Visitor Origin			
Utah	56%	44%	48%
Out of state USA	41%	53%	49%
International	3%	3%	3%
Days skiing this trip			
Median	5	4	4
Mean	5.7	4.6	5.6
Nights stayed in Utah			
Median	5	5	5
Mean	5.7	5.5	7.5
Type of accomodation			
Own accommodations	5%	5%	6%
Staying with friends/family	20%	19%	22%
Using a friends condo but not with friends	2%	3%	1%
Timeshare	6%	7%	3%
Renting a hotel / motel room or suit	44%	44%	47%
Renting a condo / house	22%	20%	18%
Bed & Breakfast	0%	1%	1%
RV	0%	na	na
Other	1%	1%	2%
Average nightly room rate			
Mean	$226	$214	$187
Median	$173	$150	$100
Used a package deal			
	11%	13%	15%
Average package price			
Mean	$914	$742	$567
Median	$600	$600	$500
Month booked reservations (excluding those w/out reservations)			
July 2005 or before	8%	10%	12%
August	9%	6%	4%
September	7%	9%	6%
October	20%	11%	10%
November	18%	13%	12%
December	12%	12%	19%
January 2006	8%	11%	20%
February	2%	7%	9%
March	2%	3%	8%
April	-	2%	0%
Primary Method of Travel			
Airline	79%	81%	78%
Private Aircraft	1%	1%	0%
Bus	1%	1%	2%
Private Vehicle	19%	16%	21%
Rental Vehicle	1%	1%	na
Other	0%	-	na

	2005-06	2002-03	1999-00
(If airline) which airline			
Aero Mexico	0.3%	1%	na
America West	4%	3%	3%
American	9%	10%	7%
Continental	5%	4%	3%
Delta	49%	49%	53%
Frontier	2%	1%	na
Jet Blue	4%	3%	na
Northwest	3%	5%	4%
Southwest	11%	13%	15%
United	11%	11%	12%
Other	2%	1%	3%
Median lift ticket price			
	$51	$40	$35
Gender			
Male	73%	66%	72%
Female	27%	34%	28%
Equipment type*			
Alpine Skis	68%	71%	75%
Telemark	3%	3%	3%
Snowboard	28%	26%	23%
*more options were given during the 2005-06 survey			
Ability Level			
First-time/Beginner	6%	7%	9%
High/Low Intermediate	46%	50%	52%
Advanced/Expert	48%	43%	39%
Median household income			
All skiers	$75,000	$88,000	$62,000
Nonresidents only	$117,000	$97,000	$93,000
Residents	$51,000	$70,000	$48,000
Income distribution*			
$0 - 24,999	19%	15%	25%
25,000 - 49,999	16%	14%	18%
50,000 - 74,999	15%	14%	13%
75,000 - 99,999	11%	14%	11%
100,000 - 124,999	9%	11%	10%
125,000 - 149,999	7%	7%	6%
150,000 - 174,999	6%	5%	3%
175,000 - 199,999	4%	4%	3%
200,000 - 249,999	5%	5%	3%
250,000 - 299,999	2%	3%	2%
more than 300,00(	6%	9%	5%
*Percentages do not account for declines			
Total spending (thousands)	$692,000	$650,000	$752,000

Source: Wikstrom Economic & Planning Associates, Inc., RRC Associates